

§ 1601.11

5 CFR Ch. VI (1–1–13 Edition)

States Government nor the Board guarantees any return on the investment.

[68 FR 35495, June 13, 2003, as amended at 70 FR 32207, June 1, 2005]

Subpart B—Investing Future Deposits

SOURCE: 68 FR 35495, June 13, 2003, unless otherwise noted.

§ 1601.11 Applicability.

This subpart applies only to the investment of future deposits to the TSP's TSP Funds, including contributions, loan payments, and transfers or rollovers from traditional IRAs and eligible employer plans; it does not apply to redistributing participants' existing account balances among the TSP Funds, which is covered in subpart C of this part.

[68 FR 35495, June 13, 2003, as amended at 70 FR 32207, June 1, 2005]

§ 1601.12 Investing future deposits in the TSP Funds.

(a) *Allocation.* Future deposits in the TSP, including contributions, loan payments, and transfers or rollovers from traditional IRAs and eligible employer plans, will be allocated among the TSP Funds based on the most recent contribution allocation on file for the participant.

(b) *TSP Funds availability.* All participants may elect to invest all or any portion of their deposits in any of the TSP Funds.

[70 FR 32207, June 1, 2005]

§ 1601.13 Elections.

(a) *Contribution allocation.* Each participant may indicate his or her choice of TSP Funds for the allocation of future deposits by using the TSP Web site or the ThriftLine, or by completing and filing the appropriate paper TSP form with the TSP record keeper in accordance with the form's instructions. The following rules apply to contribution allocations:

(1) Contribution allocations must be made in one percent increments. The sum of the percentages elected for all

of the TSP Funds must equal 100 percent;

(2) The percentage elected by a participant for investment of future deposits in a TSP Fund will be applied to all sources of contributions and transfers (or rollovers) from traditional IRAs and eligible employer plans. A participant may not make different percentage elections for different sources of contributions;

(3) A participant who elects for the first time to invest in a TSP Fund other than the G Fund must execute an acknowledgment of risk in accordance with § 1601.33;

(4) All deposits made on behalf of a participant who does not have a contribution allocation in effect will be invested in the G Fund; and

(5) Once a contribution allocation becomes effective, it remains in effect until it is superseded by a subsequent contribution allocation or the participant withdraws his or her entire account. If a separated participant is rehired and had not withdrawn his or her entire TSP account, the participant's last contribution allocation before separation from Government service will be effective until a new allocation is made. If, however, the participant had withdrawn his or her entire TSP account, then the participant's contributions will be allocated to the G Fund until a new allocation is made.

(b) *Effect of rejection of contribution allocation.* If a participant does not correctly complete a contribution allocation, the attempted allocation will have no effect. The TSP will provide the participant with a written statement of the reason the transaction was rejected.

(c) *Contribution elections.* A participant may designate the amount or type of employee contributions he or she wishes to make to the TSP or may stop contributions only in accordance with 5 CFR part 1600.

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